



DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

9 CFR Parts 327, 351, 354, 381, 500, 590, and 592

[Docket No. FSIS 2019-0001]

RIN 0583-AD76

**Establishing a Uniform Time Period Requirement and Clarifying
Related Procedures for the Filing of Appeals of Agency
Inspection Decisions or Actions**

AGENCY: Food Safety and Inspection Service (FSIS), U.S.

Department of Agriculture (USDA).

ACTION: Final rule.

SUMMARY: FSIS is amending its regulations to establish a uniform time period requirement for the filing of appeals of certain Agency inspection decisions or actions.

DATES: Effective [INSERT DATE 60 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Rachel Edelstein, Assistant Administrator, Office of Policy and Program Development, Food Safety and Inspection Service, U.S. Department of Agriculture; Telephone: (202) 205-0495.

SUPPLEMENTARY INFORMATION:

Background

On July 15, 2021, FSIS proposed to amend its regulations to establish a uniform time period requirement for the filing of appeals of certain Agency inspection decisions or actions (86 FR 37251). As FSIS explained in the proposed rule, current

regulatory requirements for appeals of FSIS decisions or actions related to inspection activities appear across multiple subsections of the FSIS regulations. FSIS regulations also provide varied information about appeals requirements and procedures, such as who may file an appeal, where to file an appeal, what information may be submitted with the appeal, and whether the appellant must bear the cost of the appeal if it is determined to be frivolous.

To clarify and simplify inspection appeals procedures, FSIS proposed the following changes to the regulations:

1. Requiring eligible persons to appeal decisions or actions related to inspection activities within 30 calendar days after receiving notification, either orally or in writing (via electronic or hard copy communication), of the initial decision or action.

2. Clarifying and simplifying the following Agency requirements and procedures concerning such appeals:

- a. Any establishment subject to mandatory Federal inspection or any facility receiving voluntary inspection services under the regulations that believes it has been adversely affected by an applicable decision or action may file an appeal;

- b. Such appeal must be submitted to the immediate supervisor of the inspector or other Agency employee who undertook the contested decision or action;

- c. The appellant may support the appeal by any argument or

evidence as to why the appeal should be granted; and

d. Eliminating the requirement, currently prescribed in several subsections of the regulations, that the appellant must bear the cost of an appeal of an Agency decision or action if the appeal is determined to be frivolous.

3. Revising several sections of the regulations (9 CFR 327.10(d)(2), 327.24, 351.21, 354.134, 355.39, 381.35, 381.202(d), 381.204(f)(2), and 592.400) to state that appeals of relevant Agency decisions or actions must be made in accordance with the new Rules of Practice subsection, 9 CFR 500.9.

After considering the comments received on the proposed rule, discussed below, FSIS is finalizing the proposed rule with four changes. First, in response to public comment, the final rule clarifies that the 30-day time period to file an appeal of an applicable Agency decision or action will apply to the initial appeal and all subsequent appeals for the same issue within the FSIS chain of command.

Second, in response to public comment, the final rule clarifies that the time period to appeal an applicable Agency decision or action starts after the appellant receives *written* (rather than oral) notification of the contested inspection decision or action.

Third, due to an amendment to the FSIS regulations that was made after the proposed rule was published, this final rule removes one revision concerning appeals of certified pet food decisions or actions. On May 20, 2022, FSIS amended its

regulations to remove the certified pet food provisions from its regulations because they were outdated and no companies use the voluntary service (87 FR 30773). Therefore, this final rule does not include the proposed change to the removed section 9 CFR 355.39 – Appeals from decisions made under this part.

Finally, due to a second amendment to the FSIS regulations that was made after the proposed rule was published, this final rule includes one revision concerning appeals of egg products inspection decisions or actions. On October 29, 2020, FSIS amended its regulations to modernize egg products inspection under the Egg Products Inspection Act (21 U.S.C. 1031, et seq.) (85 FR 68640). To align that egg products final rule with the new uniform appeals process requirements, this final rule revises 9 CFR 590.300 and 9 CFR 590.310 to state that appeals of Agency decisions or actions concerning egg products inspections must be filed in accordance with 9 CFR 500.9.

Comments and Responses

FSIS received five comments on the proposed rule. FSIS received four comments from trade associations representing the meat and poultry industries and one comment from a firm providing consultancy services to the meat and poultry industries. A summary of the comments and FSIS' responses follows.

Time period to file an initial appeal

Comment: Four commenters stated that the time period for filing an initial appeal should be longer than the proposed 30

calendar days to provide appellants sufficient time to access the relevant Agency decision or action and decide whether to appeal. Two industry groups recommended a time period of at least 90 days. Two other industry groups recommended a time period of 120 days.

Response: FSIS disagrees. Thirty calendar days will provide prospective appellants sufficient time to gather necessary information and respond to applicable Agency actions and decisions while ensuring the regulatory intent to provide for a consolidated, streamlined appeals process. Prospective appellants should be able to readily access relevant Agency decisions or actions because they are provided written notice of such decisions or actions when they are issued. Further, each quarter the Agency publishes to the FSIS website a summary of the enforcement actions FSIS has taken to ensure that products that reach consumers are safe, wholesome, and properly labeled.¹ The 30-day time period requirement will ensure that the Agency publishes timely data.

Time period to file subsequent appeals

Comment: Three industry groups stated that appellants should be provided equal time to file subsequent appeals of a specific Agency decision or action to the next level in the FSIS chain of command if the initial appeal of the underlining decision or action is denied, in order to provide appellants

¹ The Quarterly Enforcement Reports are available at: <https://www.fsis.usda.gov/inspection/regulatory-enforcement/quarterly-enforcement-reports>.

sufficient time to prepare such filings and to avoid inconsistent or arbitrary time period requirements imposed by FSIS personnel.

Response: FSIS agrees. The scope of this final rule includes the 30-day time period requirement for the filing of all appeals in the FSIS chain of command of an applicable Agency decision or action.

Written notification of Agency action or decision

Comment: Three industry groups stated that the start of the time period for filing an appeal should be based on the appellant's receipt of written notification (rather than oral notification) of an applicable Agency decision or action.

Response: FSIS agrees. This final rule clarifies that the appeal filing time period will be based on the prospective appellant's receipt of written notification of the applicable Agency action or decision.

Waiver of time period requirement

Comment: One industry group stated that the time period requirement for filing appeals should be waived or reopened in certain circumstances, such as when the Agency issues a noncompliance record (NR) that is directly related to a previous NR. This commenter also stated that FSIS should establish a process for waiving or restarting the appeals time period under such circumstances.

Response: FSIS disagrees. The regulations provide persons the opportunity to appeal after each applicable Agency decision

or action. As mentioned above, 30 days should be sufficient time to file an appeal. FSIS is not establishing a separate process to waive or reopen the time period for appeals.

Time period requirements for Agency appeal responses and related procedures

Comment: Four industry groups stated that FSIS should establish and enforce time period requirements for the Agency's responses to appeals of its actions and decisions, as well as other procedures related to the administration of the appeals process.

Response: FSIS disagrees. FSIS will issue instructions to personnel to ensure the Agency responds to appeals in a timely manner but will not codify requirements for FSIS personnel.

"Adversely affected" standard

Comment: Two industry groups questioned the proposed requirement that a person must be "adversely affected" by a relevant Agency decision or action to file an appeal. The commenters stated that the impact on the prospective appellant should not be a determining factor concerning whether a person should be able to appeal.

Response: FSIS disagrees. There is no basis to file an appeal of an Agency inspection decision or action that did not adversely affect the appellant. When there is no adverse effect involved, industry may resolve differences of opinion in FSIS memoranda of interview, in other Agency documents, and through discussions with field personnel. The requirement that an

appellant be adversely affected by the relevant Agency action or decision will ensure that persons directly and materially impacted by such actions or decisions are able to seek relief. This regulatory provision will also facilitate a timely, streamlined appeals process, as the Agency will be able to focus its resources on reviewing actions and decisions that have tangible, consequential impacts on involved persons.

Final rule effective date

Comment: One industry group stated that the effective date of any regulatory changes to the appeals process should provide industry sufficient time to adjust to the new requirements.

Response: FSIS agrees. The Agency recognizes the need to provide industry time to comply with the regulatory changes to the appeals process. Consistent with other FSIS regulations, the requirements established by the final rule are effective 60 days after publication in the **Federal Register**, which is [INSERT 60 DAYS FROM DATE OF PUBLICATION].

Applicability to recall decisions

Comment: One commenter asked whether the time period requirement for appeals would apply to recall decisions.

Response: The requirements established by this final rule, including the uniform time period for filing appeals of certain Agency actions and decisions, will not apply to FSIS requests for recall of meat, poultry, or egg products. As the recall of such product is a voluntary decision made by the relevant establishment or facility, rather than an Agency decision or

action, it is not applicable to this final rule. However, if industry decided to appeal any NRs related to the recall, those appeals would be subject to this rule.

Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety benefits, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This final rule has been designated a "non-significant" regulatory action under section 3(f) of E.O. 12866. Accordingly, the rule has not been reviewed by the Office of Management and Budget under E.O. 12866.

Economic Impact Analysis

The final rule is expected to economically benefit industry by providing a harmonized, streamlined appeals process. Consolidating the inspection appeals procedures from multiple subsections of the CFR, simplifying the process, eliminating charges for frivolous appeals, and setting a uniform time period requirement will reduce the regulatory burden placed on industry.

Similarly, clarifying and simplifying Agency inspection appeals procedures is expected to benefit the Agency by reducing

inefficiencies and facilitating better use of Agency personnel and resources. The actions will also increase the likelihood that relevant physical evidence, as well as directly involved personnel, will be available during the appeals process.

The uniform time period requirement is not expected to increase industry's labor or capital costs. Currently, the majority of appeals of FSIS decisions or actions related to inspection activities mandated under the Federal Meat Inspection Act (FMIA) (21 U.S.C. 601, *et seq.*), the Poultry Products Inspection Act (PPIA) (21 U.S.C. 451, *et seq.*), and the Egg Products Inspection Act (EPIA) (21 U.S.C. 1031, *et seq.*) are filed within several months of the appellant's notification of the contested decision or action. For example, between June 2020 and May 2022, the Agency received 1,499 appeals from official establishments to contest NRs issued to address findings of regulatory violations. Of these appeals, sixty-nine (69) percent were filed within 30 calendar days, twenty-six (26) percent were filed between 31 and 180 calendar days, and five (5) percent were filed after 180 calendar days. Further, the time period requirement will lengthen the amount of time that an appeal may be filed for certain types of Agency decisions or actions. Therefore, the uniform time period requirement will encourage the timely filing of appeals without imposing substantial cost burdens on current industry practices.

Regulatory Flexibility Act

The FSIS Administrator has made a determination that this

final rule will not have a significant economic impact on a substantial number of small entities in the United States, as defined by the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*). The final rule is not expected to increase costs to the industry. The final rule may provide some cost savings to industry related to the uniform filing of appeals of certain Agency decisions or actions, but any benefits from the final rule would not be significant.

Paperwork Reduction Act

There are no paperwork or recordkeeping requirements associated with this final rule under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520).

E-Government Act

FSIS and USDA are committed to achieving the purposes of the E-Government Act (44 U.S.C. 3601, *et seq.*) by, among other things, promoting the use of the Internet and other information technologies and providing increased opportunities for citizen access to Government information and services, and for other purposes.

Executive Order 12988, Civil Justice Reform

This final rule has been reviewed under E.O. 12988, Civil Justice Reform. Under this rule: (1) All State and local laws and regulations that are inconsistent with this rule will be preempted; (2) no retroactive effect will be given to this rule; and (3) no administrative proceedings will be required before parties may file suit in court challenging this rule. However,

parties may be required to exhaust their administrative remedies, including the appeals process established in this rule, before challenging in court any specific agency action that is the subject of an appeal pursuant to this rule.

Executive Order 13175

This rule has been reviewed in accordance with the requirements of E.O. 13175, "Consultation and Coordination with Indian Tribal Governments." E.O. 13175 requires Federal agencies to consult and coordinate with tribes on a government-to-government basis on policies that have tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

FSIS has assessed the impact of this rule on Indian tribes and determined that this rule does not, to our knowledge, have tribal implications that require tribal consultation under E.O. 13175. If a tribe requests consultation, FSIS will work with the Office of Tribal Relations to ensure meaningful consultation is provided where changes, additions, and modifications identified herein are not expressly mandated by Congress.

USDA's Non-Discrimination Statement

In accordance with Federal civil rights law and USDA civil rights regulations and policies, USDA, its Mission Areas, agencies, staff offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language) should contact the responsible Mission Area, agency, or staff office; the USDA TARGET Center at (202) 720-2600 (voice and TTY); or the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a complainant should complete a Form [AD-3027](#), *USDA Program Discrimination Complaint Form*, which can be obtained online at <https://www.ocio.usda.gov/document/ad-3027>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of

the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

- (1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or
- (2) Fax: (833) 256-1665 or (202) 690-7442; or
- (3) Email: program.intake@usda.gov

USDA is an equal opportunity provider, employer, and lender.

Environmental Impact

Each USDA agency is required to comply with 7 CFR part 1b of the Departmental regulations, which supplements the National Environmental Policy Act regulations published by the Council on Environmental Quality. Under these regulations, actions of certain USDA agencies and agency units are categorically excluded from the preparation of an Environmental Assessment (EA) or an Environmental Impact Statement (EIS) unless the agency head determines that an action may have a significant environmental effect (7 CFR 1b.4 (b)). FSIS is among the agencies categorically excluded from the preparation of an EA or EIS (7 CFR 1b.4 (b)(6)).

FSIS has determined that this final rule, which establishes a uniform time period requirement for the filing of appeals of

certain Agency inspection decisions or actions, and clarifies and simplifies appeals procedures generally, will not create any extraordinary circumstances that would result in this normally excluded action having a significant individual or cumulative effect on the human environment. Therefore, this action is appropriately subject to the categorical exclusion from the preparation of an environmental assessment or environmental impact statement provided under 7 CFR 1b.4(6) of the U.S. Department of Agriculture regulations.

Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801, et seq.), the Office of Information and Regulatory Affairs has determined that this rule is not a "major rule," as defined by 5 U.S.C. 804(2).

Additional Public Notification

Public awareness of all segments of rulemaking and policy development is important. Consequently, FSIS will announce this **Federal Register** publication on-line through the FSIS Web page located at: <https://www.fsis.usda.gov/federal-register>.

FSIS will also announce and provide a link through the FSIS *Constituent Update*, which is used to provide information regarding FSIS policies, procedures, regulations, **Federal Register** notices, FSIS public meetings, and other types of information that could affect or would be of interest to our constituents and stakeholders. The *Constituent Update* is available on the FSIS web page. Through the web page, FSIS is

able to provide information to a much broader, more diverse audience. In addition, FSIS offers an e-mail subscription service which provides automatic and customized access to selected food safety news and information. This service is available at: <https://www.fsis.usda.gov/subscribe>. Options range from recalls to export information, regulations, directives, and notices. Customers can add or delete subscriptions themselves and have the option to password protect their accounts.

List of Subjects

9 CFR Part 327

Imported products.

9 CFR Part 351

Certification of technical animal fats for export.

9 CFR Part 354

Voluntary inspection of rabbits and edible products thereof.

9 CFR Part 381

Poultry products inspection regulations.

9 CFR Part 500

Rules of practice.

9 CFR Part 590

Inspection of eggs and egg products (Egg Products Inspection Act).

9 CFR Part 592

Voluntary inspection of egg products.

For the reasons set forth in the preamble, FSIS is amending

9 CFR parts 327, 351, 354, 381, 500, 590 and 592 as follows:

PART 327 - IMPORTED PRODUCTS

1. The authority citation for part 327 continues to read as follows:

Authority: 21 U.S.C. 601-695; 7 CFR 2.18, 2.53.

2. In § 327.10, revise paragraph (d)(2) to read as follows:

§327.10 Samples; inspection of consignments; refusal of entry; marking.

* * * * *

(d) * * *

(2) An official import establishment's controlled pre-stamping privilege may be cancelled orally or in writing by the inspector or other Agency employee who is supervising its enforcement whenever the employee finds that the official import establishment has failed to comply with the provisions of this part or any conditions imposed pursuant thereto. If the cancellation is oral, the decision or action and the reasons therefor will be confirmed in writing, as promptly as circumstances allow. Any person whose controlled pre-stamping privilege has been cancelled may appeal the decision or action in accordance with 9 CFR 500.9. The appeal must state all of the facts and reasons upon which the person relies to show that the controlled pre-stamping privilege was wrongfully cancelled.

* * * * *

3. Revise § 327.24 to read as follows:

§327.24 Appeals; how made.

Any appeal of a decision or action of any program employee will be made to his/her immediate supervisor having responsibility over the subject matter of the appeal in accordance with 9 CFR 500.9.

PART 351 - CERTIFICATION OF TECHINCAL ANIMAL FATS FOR EXPORT

4. The authority citation for part 351 continues to read as follows:

Authority: 7 U.S.C. 1622, 1624; 7 CFR 2.17 (g) and (i), 2.55.

5. Revise § 351.21 to read as follows:

§ 351.21 Certification of certain animal fat for export.

Any person receiving inspection service may, if dissatisfied with any decision of an inspector relating to any inspection, file an appeal from such decision or action in accordance with 9 CFR 500.9.

PART 354 - VOLUNTARY INSPECTION OF RABBITS AND EDIBLE PRODUCTS THEREOF

6. The authority citation for part 354 continues to read as follows:

Authority: 7 U.S.C. 1622, 1624; 7 CFR 2.17 (g) and (i), 2.55.

7. Revise § 354.134 to read as follows:

§ 354.134 Appeal inspections; how made.

Any person receiving inspection service may, if dissatisfied with any decision of an inspector relating to any inspection, file an appeal from such decision or action in

accordance with 9 CFR 500.9.

PART 381 - POULTRY PRODUCTS INSPECTION REGULATIONS

8. The authority citation for part 381 continues to read as follows:

Authority: 7 U.S.C. 1633, 1901-1906; 21 U.S.C. 451-472; 7 CFR 2.18, 2.53.

9. Revise § 381.35 to read as follows:

§381.35 Appeal inspections; how made.

Any person receiving inspection service may, if dissatisfied with any decision or action of an inspector or other Agency employee relating to any inspection, file an appeal from such decision or action in accordance with 9 CFR 500.9.

10. In § 381.202, revise paragraph (d) to read as follows:

§381.202 Poultry products offered for entry; reporting of findings to customs; handling of articles refused entry; appeals, how made; denaturing procedures.

* * * * *

(d) Any person receiving inspection service may, if dissatisfied with any decision or action of an inspector or other Agency employee relating to any inspection, file an appeal from such decision or action in accordance with 9 CFR 500.9. The poultry or poultry products involved in any appeal must be identified by U.S. retained tags and segregated in a manner approved by the inspector or other Agency employee pending completion of an appeal inspection.

* * * * *

11. In § 381.204, revise paragraph (f)(2) to read as follows:

§ 381.204 Marking of poultry products offered for entry; official import inspection marks and devices.

* * * * *

(f) * * *

(2) An official import establishment's controlled pre-stamping privilege may be cancelled orally or in writing by the inspector or other Agency employee who is supervising its enforcement whenever the employee finds that the official import establishment has failed to comply with the provisions of this part or any conditions imposed pursuant thereto. If the cancellation is oral, the decision or action and the reasons therefor will be confirmed in writing, as promptly as circumstances allow. Any person whose controlled pre-stamping privilege has been cancelled may appeal the decision or action in accordance with 9 CFR 500.9. The appeal must state all of the facts and reasons upon which the person relies to show that the controlled pre-stamping privilege was wrongfully cancelled.

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PART 500 - RULES OF PRACTICE

12. The authority citation for part 500 continues to read as follows:

Authority: 21 U.S.C. 451-470, 601-695, 1031-1056; 7 U.S.C. 450, 1901-1906; (33 U.S.C. 1251 et seq.); 7 CFR 2.18, 2.53.

13. In § 500.1, revise paragraph (c) to read as follows:

§ 500.1 Definitions.

* * * * *

(c) A "suspension" is an interruption in the assignment of program employees to all or part of an establishment; and

(d) An establishment subject to Federal inspection or facility receiving voluntary inspection services under the regulations is "adversely affected" when that person has a legally cognizable interest, and the decision or action has caused or is substantially likely to cause injury to that interest.

14. Add § 500.9 to read as follows:

§ 500.9 Procedures for the filing of appeals.

(a) Any establishment subject to Federal inspection or facility under voluntary inspection and adversely affected by a decision or action of an inspector or other Agency employee related to an inspection activity mandated under the FMIA, PPIA, or EPIA or related to voluntary reimbursable inspection services allowed under the AMA may appeal the decision or action. Initial appeals of an applicable decision or action, as well as subsequent appeals of denied appeals through final Agency action, must be made within 30 calendar days after receipt of written notification of the contested decision or action. Appeals may be supported by any argument or evidence that the appellant may wish to offer as to why the contested decision or action should be reconsidered.

(b) Any initial appeal of a decision or action of an inspector or other Agency employee must be made to his/her

immediate supervisor having jurisdiction over the subject matter of the appeal.

PART 590 - INSPECTION OF EGGS AND EGG PRODUCTS (EGG PRODUCTS INSPECTION ACT)

15. The authority citation for part 590 continues to read as follows:

Authority: 21 U.S.C. 1031-1056; 7 CFR 2.18, 2.53.

16. Revise § 590.300 to read as follows:

§ 590.300 Appeal inspections.

Any person receiving inspection service may, if dissatisfied with any decision or action of an inspector or other Agency employee relating to any inspection, file an appeal from such decision or action in accordance with 9 CFR 500.9.

17. Revise § 590.310 to read as follows:

§ 590.310 Appeal inspections; how made.

Any appeal from the inspection decision by inspection program personnel must be made to the immediate supervisor having jurisdiction over the subject matter of the appeal in accordance with 9 CFR 500.9.

PART 592 - VOLUNTARY INSPECTION OF EGG PRODUCTS

18. The authority citation for part 592 continues to read as follows:

Authority: 7 U.S.C. 1621-1627.

19. Revise § 592.400 to read as follows:

§ 592.400 How to file an appeal.

Any person receiving inspection service may, if

dissatisfied with any decision or action of an inspector or other Agency employee relating to any inspection, file an appeal from such decision or action in accordance with 9 CFR 500.9.

§§ 592.410, 592.420, 592.430, and 592.440 [Removed]

20. Remove §§ 592.410, 592.420, 592.430, and 592.440.

Done in Washington, DC.

Paul Kiecker,
Administrator.

[FR Doc. 2022-22666 Filed: 10/18/2022 8:45 am; Publication Date: 10/19/2022]